

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1492 – HB 1703

February 27, 2018

**SUMMARY OF ORIGINAL BILL:** Authorizes an owner or operator of a motor vehicle with an illuminated malfunction indicator lamp (MIL) at the time of testing to have the option of electing a tailpipe emissions test in lieu of an onboard diagnostic (OBD) test. The proposed legislation will be effective on January 1 following the date on which the United States Environment Protection Agency (EPA) approves a revised state implementation plan (SIP) consistent with the proposed legislation.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – To the extent the Environment Protection Agency amends the state implementation plan to allow for tailpipe testing, the cost of implementing the tailpipe test would be passed on from the emissions testing vendor to motor vehicle owners and would not significantly impact state or local expenditures.

**SUMMARY OF AMENDMENT (013444):** Deletes and replaces language of the bill to: (1) clarify that the Air Pollution Control Board, rather than the Commissioner of the Department of Environment and Conservation (TDEC), is authorized to promulgate rules; and (2) change the effective date from January 1 following approval from the EPA of a revised SIP to January 1 following such approval or the date that any existing contract between TDEC and a vehicle inspection vendor or a contract existing between Davidson County and a vehicle inspector vendor is set to expire or the date such contracts are set to be renewed by amendment.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Federal regulations require light duty motor vehicles after 1996 to have an OBD system. According to the Department of Environment and Conservation (TDEC), approximately 95 percent of motor vehicles tested have an OBD system.
- Tailpipe tests are no longer available at emission testing facilities.
- The proposed legislation will not become effective until the EPA approves a SIP consistent with the proposed legislation. TDEC would have to request the amendment to

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the SIP. Upon such an amendment being approved, the tailpipe test would be made available to motor vehicle owners.

- According to TDEC, the vendor with which TDEC and Metropolitan Government of Nashville and Davidson County contract would bear the cost of implementing the tailpipe test.
- The vendor would pass this cost along to motor vehicle owners and not the state or Metro Nashville.
- To the extent the EPA approves an amendment to the SIP, the proposed legislation will not significantly impact state or local expenditures.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/trm